

THE IMPACT OF FINTECH, ONLINE MARKETING, AND FINANCIAL INCLUSION ON THE DEVELOPMENT OF MSME ENTERPRISES IN KUNINGAN REGENCY, WEST JAVA

Dadang Suhardi^{1*}, Wely Hadi Gunawan², Micki Watulandi³

Faculty of Economics and Business, Universitas Kuningan^{1,2,3}

E-mail: dadangsuhardi@uniku.ac.id¹ welyhadigunawan@uniku.ac.id² micki.watulandi@uniku.ac.id³

Abstract: This study aims to analyze the impact of financial technology (fintech), digital marketing, and financial inclusion on the growth of Micro, Small, and Medium Enterprises (MSMEs). In today's digital era, MSMEs face challenges in remaining competitive and relevant. This study seeks to understand how the use of fintech can provide easier access to financing sources and financial services, how digital marketing can enhance visibility and market penetration, and how financial inclusion can open opportunities for MSMEs that have been underserved by traditional banking services. The research methodology involves collecting data through surveys and interviews with MSME owners, as well as quantitative the data. The results show that the adoption of fintech and digital marketing has a significant positive impact on MSME business growth. Furthermore, financial inclusion plays a crucial role in supporting MSMEs' access to the financial services they need. The study concludes that a combination of fintech, digital marketing, and financial inclusion can be key factors in driving the growth and sustainability of MSME businesses. Therefore, the government and stakeholders are encouraged to provide the necessary support to enhance technology adoption and access to financial services for MSMEs.

Keywords: *Fintech, Digital Marketing, Financial Inclusion, MSME Businesses*

Submitted: 2025-03-04; Revised: 2025-03-18; Accepted: 2025-03-19

1. Introduction

The current development of technology is so fast, the use of technology has penetrated all industrial sectors from the corporate level to MSME (Micro, Small and Medium Enterprises) actors. Whether it's in big cities or in the regions. The ease of access created by technology is very helpful for business actors in running their business. The emergence of financial technology today creates the convenience of financial services for business actors and consumers, one of which is the ease of recording financial transactions for business actors where financial transactions have been recorded digitally with the help of technology so that business actors can easily access transaction and sales reports. Another convenience is the payment transaction service. Consumers can easily make payment transactions using debit/credit cards, access payments via m-banking, Qris, e-wallet star up platforms such as ovo, go pay, dana, link aja, shoppe pay and others.

The use of technology through digital marketing is currently widely used by business actors, including to increase awareness, promotion, sales & profit. So that by improving the

performance of business actors, it is hoped that they will be able to maintain their existence in business competition. Meanwhile (Ng et al., 2017) states that digital marketing is all efforts in marketing a product or service through internet media. Financial Inclusion is access for the public entities and commercial stakeholders aim to access and employ financial services designed to remove various obstacles related to financial accessibility. The combination of fintech and digital marketing is anticipated to serve as a catalyst in improving the access of micro, small, and medium enterprises to financial institutions, covering both transactional and financing services. According to data from the Ministry of KUMK (2021), MSMEs play a pivotal role in Indonesia's economy, contributing 60.51% to the GDP.

The expansion of businesses serves as an indicator of the effectiveness of business operations in reaching established objectives within a specific timeframe. The size of business growth can be derived from financial and non-financial performance. The performance of MSMEs can also be assessed from the maximum use of fintech, the success of sales through marketing activities can also be a measure of MSME business growth. From the obstacles described above, there are weaknesses in MSMEs, especially in financial literacy knowledge and access to financial institutions both from the transactional side and the financing side. This is a challenge for MSMEs to use fintech, digital marketing, and financial inclusion to win business opportunities. Therefore, it is necessary to analyze several factors that affect the growth of MSME businesses in Kuningan Regency. The formulation of the problems in this study includes: whether fintech affects the business growth of MSMEs, does financial inclusion affect the growth of MSME businesses?

2. Literature Review

Based on (Law of the Republic of Indonesia Number 20 of 2008) MSMEs are characterized based on their criteria. The law gives a talk of the MSME Criteria as directed as takes after: Miniaturized scale Ventures have a net worth of at most IDR 50,000,000, have yearly deals result of at most IDR 300,000,000, Little Endeavors have a net worth of more than IDR 50,000,000- IDR 500,000,000, have yearly deals result of more than IDR 300,000,000 - IDR 2,500,000,000. Medium Endeavors have a net worth of more than IDR 500,000,000- IDR 10,000,000,000, have yearly deals comes about more than IDR 2,500,000,000 - IDR 50,000,000,000. Fintech is a service innovation in the financial sector, where financial services are combined with the latest technology. According to (Nur Hamidah et al., 2020) fintech is the implementation of the use of information technology related to several financial cases.

Digital Marketing provides the latest innovations in marketing activities, where marketing activities can be conducted online with the help of social media and marketplaces (Mechman et al., 2021), thus expanding the marketing reach and making it easily accessible to consumers. According to (Kotler et al., 2019), digital marketing is the application of digital technology to connect, interact, and communicate with customers to meet their needs and desires. Based on research by (Omar et al., 2020), it is stated that Digital Marketing has a positive impact on the growth of MSME businesses. Similarly, the results of the study by (Marjukah et al., 2021) emphasize the need for the implementation of digital marketing and business collaboration strategies for MSME actors to sustain and win in increasingly fierce competition. Financial Inclusion refers to the public's access to financial services from financial institutions, according to the Financial Services Authority, 2016, financial inclusion is the availability of access to various financial institutions, products, and services in accordance with the needs and capabilities of the community in order to improve welfare.

According to (Bentar Kusdimanto et al., 2022), fintech-based financial inclusion is able to support SMEs to increase their business growth through one of the financial inclusion instruments, namely providing SME loans to add value to the business investment of these SMEs. Next, based on research (Ratnawati, 2020), Financial Inclusion has a positive influence on financial access. Business growth is the ability of a company to maintain and improve its business activities both from the production and sales processes with the main goal of making a profit. According to stated business growth refers to an increase in the scale of a company's operations, with measurement indicators that can be used as follows: Production, Sales and profit, Number of Employees, Number of Customers, Company Value.

From the explanation above, the hypothesis in this research is whether fintech affects the growth of MSME businesses, does digital marketing affect MSME business growth, does financial inclusion affect MSME business growth?

H1: Fintech has a positive effect on Financial Inclusion

H2: Digital Marketing has a positive impact on Financial Inclusion

H3: Fintech has a positive effect on MSME Business Growth

H4: Digital Marketing has a positive impact on MSME Business Growth

H5: Financial Inclusion through Fintech and Digital Marketing has an Effect on MSME Business Growth

3. Research Method

This study represents a form of quantitative descriptive investigation. According to Hardoni (2020), quantitative descriptive research is focused on detailing the attributes and traits of the identified subjects. This study will examine how financial technology and digital marketing impact business development, which in turn affects financial inclusion for MSMEs in Kuningan Regency. The explanatory research method, as noted by Veronica et al. (2022), is applied here to explore the connections between different variables within the framework of hypothesis verification. The subjects of this research are MSMEs in Kuningan Regency, which number 5,323 in total. The research encompasses a sample comprising 150 participants. The sampling strategy employed is purposive sampling, where the researcher selects participants based on relevant criteria tailored to the research objectives. The chosen criteria for this study focus on MSMEs that have been in operation for at least one year, generate a minimum turnover of fifty million monthly, utilize financial technology for their operations, and are familiar with digital marketing practices as tools for promotion and sales. This investigation utilizes both primary and secondary data. Data collection was performed through a questionnaire. The information was gathered by distributing questionnaires via a Google form sent through WhatsApp to MSMEs in Kuningan Regency. The questionnaire format included a series of statements rated on an interval scale from 1 to 10. The data analysis method applied in this study is the Structural Equation Model (SEM), processed using the AMOS version 23 software.

Research methodologies should be articulated succinctly and clearly, containing enough detail to allow for replication. This segment outlines the research strategies, target populations, sample sizes, sampling methods, data collection procedures, and analytical techniques employed. If deemed necessary, attached regarding the lattice of instruments or pieces of material used in the study. If there is a statistical formula used, then please include it and the commonly used formula does not need to be written.

4. Results and Discussion

4.1. Results

The results of data processing for full model analysis using the AMOS Version 23 program are as follows:

Table 1. Summary of Goodness of Fit Index

<i>Criteria</i>	Cut-Off Value	Analysis Results	Model Evaluation
<i>Chi-Square</i> (df=89)	Small is Expected	93,552	Good
<i>Probability</i>	≥0,05	0,493	Good
RMSEA	≤0,08	0.020	Good
RMR	≤0,05	0,042	Good
GFI	≥0,90	0,941	Good
AGFI	≥0,90	0,866	Marginal
CMIN/DF	≤2,00	1,051	Good
MmFI/TLI	≥0,90	0,988	Good
CFI	≥0,90	0,992	Good
IFI	≥0,90	1,000	Good

Source: AMOS output

The following is an explanation of the structural model of multidimensional constructs in analysis using SEM AMOS with a sample size of 150. The results of the Chi-Square (X²) value show 93.552 and df of 112.021 with a probability of 0.493. with a likelihood of 0.493. With a noteworthiness level (α) of 0.05, it can be said that the show is fit, separated from that, a few parameters say that the demonstrate is satisfactory since all the criteria meet the prerequisites. It can be concluded that the show is satisfactory since there are 4 - 5 criteria that meet the prerequisites, the utilize of 4 - 5 goodness of fit criteria is considered adequate to evaluate the appropriateness of a show, as long as each goodness of fit measure is spoken to.

Table 2. Standardized Regression Weight

Constructs			Estimate	S.E.	C.R.	P
Financial Inclusion	<---	Fintech	,988	,472	2,091	,037
Financial Inclusion	<---	Digital Marketing	1,308	,384	3,411	***
Business Growth	<---	Financial Inclusion	1,379	,909	1,616	,009
Business Growth	<---	Fintech	,442	,144	3,061	,002
Business Growth	<---	Digital Marketing	,438	,328	1,337	,031

Source: AMOS output

Theory validation was executed utilizing a CR value exceeding 1.96, along with a p value demonstrating a significance level lower than 0.05. The verification of research hypotheses relies on the findings derived from the causal relationships linked to research variables. The outcomes of the hypothesis are outlined as follows:

Hypothesis 1, the calculated parameter for examining the influence of fintech on financial

inclusion shows a CR value of 2.091 and a probability of 0.037. Consequently, the probability value is noted. As this probability value is below 0.05, the null hypothesis H₀ is dismissed, and alternative hypothesis H₁ is endorsed. It can be inferred that the fintech factor exerts a substantial and affirmative impact on financial inclusion.

Hypothesis 2 presents the estimated parameters to evaluate how digital marketing impacts financial inclusion, revealing a CR value of 3.411 with a significance level of . Consequently, the probability value is less than 0.05, leading to the rejection of H₀ and the acceptance of H₂. This indicates that the digital marketing factor exerts a positive and substantial influence on financial inclusion.

Hypothesis 3, the estimated parameters for assessing the effect of financial inclusion on business growth reveal a CR value of 1.616 with a probability of 0.009. Therefore, since the probability value is below 0.05, H₀ is accepted and H₃ is rejected. This implies that financial inclusion plays a positive and significant role in fostering business growth.

Hypothesis 4, the estimated parameters for examining the impact of fintech on business growth indicate a CR value of 3.061 with a probability of 0.002. As the probability value is again less than 0.05, we reject H₀ and accept H₄. It can thus be concluded that fintech factors positively and significantly influence business growth.

Hypothesis 5, estimated parameters for analyzing the impact of digital marketing on business growth show a CR value of 1.337 with a probability of 0.31. Given that the probability value is less than 0.05, we reject H₀ and accept H₅. Thus, it can be concluded that digital marketing positively and significantly contributes to business growth.

4.2. Discussion

The findings from this research demonstrate that financial technology, online marketing, and the inclusion of finance significantly influence the expansion of small and medium enterprises in Kuningan Regency. These conclusions reinforce several earlier studies that support the idea that embracing financial technology and digital marketing approaches helps improve access to financial resources and widens the market opportunities for MSMEs. It has been established that fintech positively contributes to both financial inclusion and the growth of MSMEs. This aligns with the research by Utami & Sitanggang (2021) which states that fintech can improve the operational efficiency of MSMEs and accelerate access to financing. With various digital services such as mobile banking, e-wallets, and peer-to-peer lending platforms, MSMEs in Kuningan Regency can more easily manage financial transactions and obtain business capital without having to rely on conventional banking. Digital marketing has also been found to have a significant effect on financial inclusion and MSME business growth. This supports the study of Omar et al. (2020) and Marjukah et al. (2021) which emphasized that the utilization of digital marketing can expand market reach and increase MSME business turnover. With social media platforms, marketplaces, and other digital-based marketing strategies, MSMEs can more easily attract customers, increase sales, and increase the credibility of their business, which ultimately strengthens their access to financial services. Meanwhile, financial inclusion has an important role in encouraging MSME business growth. Access to financial services, whether in the form of loans, savings, or investments, provides opportunities for MSMEs to grow faster.

5. Conclusion

From the results of research and discussion on "The Influence of Fintech, Digital Marketing, Financial Conclusion on MSME Business Growth in Kuningan Regency", 5 hypotheses were

produced, while the statistical hypothesis testing resulted in the conclusion that Fintech positively impacts the inclusion of financial services for MSMEs in Kuningan Regency in a notable way. This indicates that incorporating fintech into MSME operations enhances accessibility to financial services and institutions, particularly concerning capital. Digital Marketing also plays a significant role in promoting financial inclusion among MSMEs in Kuningan Regency. When businesses implement Digital Marketing strategies to boost sales and reach new markets, it leads to improved financial inclusion, resulting in greater access to financial services and institutions. Evidence suggests that financial inclusion considerably contributes to the growth of MSME businesses in Kuningan Regency. This implies that having access to financial services and institutions significantly influences the development of MSMEs, especially in terms of capital availability. Furthermore, Fintech has a substantial impact on business expansion, indicating that utilizing fintech in MSME operations promotes growth effectively. will provide convenience and operational efficiency so that it will minimize the cost of business activities that will affect Business Growth.

References

- Bentar Kusdimanto, Wahyuni, N. S., Inke Larank Assya'if, & Sri Mulyantini. (2022). Review Peran Inklusi Keuangan Berbasis Fintech Dan Perilaku Keuangan Untuk Pertumbuhan Ukm. *Jurnal Publikasi Manajemen Informatika*, 1(1), 50–60. <https://doi.org/10.55606/jupumi.v1i1.140>
- Hardoni. (2020). Metode Penelitian Kualitatif dan Kuantitatif (Issue January). Kotler, P., Keller, K., Brady, M., Goodman, M., & Hansen, T. (2019). *Marketing Management*. Pearson. https://books.google.co.id/books?id=_2hDwAAQBAJ
- Mechman, A., Sarah Omar, S., Hamawandy, N. M., Abdullah, A. S., & Qader, A. N. (2021). The Effect of Digital Marketing, And E-Commence on SMEs performance of Baghdad. *Journal of Positive School Psychology*, 2022(3), 4197–4212. <http://journalppw.com>
- Mikrad, M., Budi, A., & Fitriana, A. I. (2022). Perkembangan Umkm Dengan Financial Technology Dan Digital Marketing Sebagai Variabel Prediktor. *Digital Business Journal*, 1(1), 14. <https://doi.org/10.31000/digibis.v1i1.6599>
- Ng, K.-S., Ahmad, A. R., Chan Wei, K., & Hairul Rizad Md, S. (2017). SMES Are Embracing Innovation for Business Performance. *Journal of Innovation Management in Small and Medium Enterprises*, 2017, 1–17. <https://doi.org/10.5171/2017.824512>
- Nur Hamidah, Rida Prihatni, & IGKA Ulupui. (2020). The Effect Of Financial Literacy, Fintech (Financial Technology) and Intellectual Capital On The Performance Of MSMEs In Depok City, West Java. *Journal of Sosial Science*, 1(4), 152–158. <https://doi.org/10.46799/jsss.v1i4.53>
- Omar, F. I., Zan, U. M. S. M., Hassan, N. A., & Ibrahim, I. (2020). Digital Marketing: An Influence towards Business Performance among Entrepreneurs of Small and Medium Enterprises. *International Journal of Academic Research in Business and Social Sciences*, 10(9), 126–141. <https://doi.org/10.6007/ijarbss/v10-i9/7709>
- Otoritas Jasa Keuangan. (2016). Undang - Undang OJK. Peraturan Otoritas Jasa Keuangan, 53(9), 1689–1699. <https://www.ojk.go.id/id/kanal/edukasi-dan-perlindungan-konsumen/regulasi/peraturan-ojk/Documents/Pages/POJK-tentang-Peningkatan-Literasi-dan-Inklusi-Kuangan-di-Sektor-Jasa-Kuangan-Bagi-Konsumen-dan-atau-masyarakat/SAL - POJK Literasi dan Inklusi Keuangan>

- Ratnawati, K. (2020). The Influence of Financial Inclusion on MSMEs' Performance Through Financial Intermediation and Access to Capital. *Journal of Asian Finance, Economics and Business*, 7(11), 205–218. <https://doi.org/10.13106/jafeb.2020.vol7.no11.205>
- Undang-Undang Republik Indonesia Nomor 20 Tahun. (2008). *Undang-Undang Republik Indonesia Nomor 20 Tahun 2008*. I. Utami, N., & Sitanggang, M. L. (2021). The Effect of Fintech Implementation on The Performance of SMEs. *Journal of International Conference Proceedings*, 4(3), 407–417. <https://doi.org/10.32535/jicp.v4i3.1342>
- Veronica, A., Abas, M., Hidayah, N., Sabtohadhi, J., Marlina, H., & Mulyani, W. (2022). *Metodologi Penelitian Kuantitatif*. Get Press. <https://books.google.co.id/books?id=eGp3EAAAQBAJ>